## Fiscal Estimate - 2005 Session

X	Original		Updated		Corrected		Suppleme	ental			
LRB	Number	05-3327/1		Introdu	iction Numb	er SE	3-323				
<b>Subject</b> Conso	ot lidation aid										
Fiscal	Effect										
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No Local Government Costs  Indeterminate  1. Increase Costs Permissive Mandatory  2. Decrease Costs Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Decrease Revenue Permissive Mandatory Districts  5. Types of Local Government Units Affected Towns Counties Counties Others School Districts Districts											
Fund	Sources Affe		PRS	SEG 🔲 SEG	Affected Ch.	. 20 Appr	opriation	S			
Agend	y/Prepared	Ву		Authorized Signature	gnature		D	ate			
DPI/ Michael Bormett (608) 266-2804 Michael Bormett				Michael Borme	chael Bormett (608) 266-2804						

## Fiscal Estimate Narratives DPI 9/15/2005

LRB Number <b>05-3327/1</b>	Introduction Number	SB-323	Estimate Type	Original						
Subject										
Consolidation aid										

## **Assumptions Used in Arriving at Fiscal Estimate**

Under current law, if two or more school districts consolidate, the amount of state aid paid to the new school district in each of the succeeding five years may not be less than the sum of the amounts paid to the consolidating school districts in the year before the consolidation. The department certifies district state general equalization aid each October 15, as required under statute.

This bill proposes to change s. 121.05(3) to reflect that consolidation aid be paid on the eligible prior year aid, rather than the actual aid payment since this aid amount is subject to adjustment/correction in the subsequent year if errors were included in district data used to calculate its general aid.

State Fiscal Effect

This bill has no state fiscal effect. However, this bill will allow for reflection of aid adjustments due to errors in the year prior to consolidation and will protect all school districts from seeing a potential aid reduction should the consolidation aid be paid incorrectly.

Local Fiscal Effect

None.

**Long-Range Fiscal Implications**